



U.S. Immigration
and Customs
Enforcement

April 15, 2005

News Release

VIRGINIA MAN ARRESTED ON CHARGES OF ILLEGALLY MOVING MILLIONS OF DOLLARS TO IRAN, PAKISTAN AND AFGHANISTAN

WASHINGTON, D.C. – Paul J. McNulty, United States Attorney for the Eastern District of Virginia, Allan J. Doody, Special Agent-in-Charge for U.S. Immigration and Customs Enforcement (ICE) Washington, D.C., and Charles Pine, Special Agent-in-Charge for Internal Revenue Service Criminal Investigations Division (IRS-CID), today announced the arrest of a Virginia man, **Rahim A. Bariek**, charged with operating an illegal money transmittal business that wired millions of dollars to overseas locations, including Iran, Pakistan, and areas in Afghanistan under the control of the Taliban between 2001 and 2002.

On April 12, 2005, a federal grand jury in Alexandria, Virginia indicted Bariek, the owner/operator of **Bariek Money Transfer**, for operating an illegal money transmittal business.

Last night, ICE agents arrested Bariek, a naturalized United States citizen from Afghanistan and a resident of Herndon, Virginia, pursuant to the indictment. Bariek is scheduled to make his initial appearance before U.S. Magistrate Judge T. Rawls Jones today in the Eastern District of Virginia. A court appearance will be scheduled for sometime next week. If convicted, he faces a maximum sentence of five years incarceration.

According to the indictment, Bariek and his business received at least \$4.9 million in funds from individuals wishing to transfer money out of the United States from November 1, 2001 until on or about August 8, 2003. In furtherance of Bariek's money transmitting business, those funds were deposited in five bank accounts controlled by Bariek, the indictment alleges.

The indictment further alleges that Bariek caused a total of approximately \$4.9 million to be transferred to individuals in various Middle East nations, including Afghanistan, Iran, and Pakistan, without a money transmitting license from the Virginia State Corporation Commission as required by law.

On November 14, 2001, Bariek testified before the U.S. Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on International Trade and Finance, concerning 'hawalas' and underground terrorist financing mechanisms. Others testifying at the hearing were the Director of the Financial Crimes Enforcement Network (FinCEN) and the U.S. Customs Service Assistant Commissioner for Investigations.

Among other things, Bariek told lawmakers, "I pay taxes on my hawala business and I comply with the law. I am happy to comply with the new federal law, which you wrote, and to register and to file suspicious activity reports. I believe that all legitimate hawala will be happy to comply. It is upsetting to us that there are hawala used for illegal activity. They give all hawala a bad name."

One of Bariek's business / money transmitting associates, Rafiullah Habibi, the owner/operator of the Afghan Market in Alexandria, was indicted in September 2003 by a federal grand jury in Greenbelt, Maryland for accepting or transmitting payments for an international heroin smuggling ring. The drug charges were later dropped, and in February 2005, Habibi pleaded guilty in Federal court in Greenbelt to criminal charges of operating an illegal money service business.

U.S. Attorney McNulty stated: "Money is the lifeblood of terrorism and drug trafficking. Illegal money transmitters and money launderers provide the much-needed vessels for moving money for criminal purposes. An effective terrorism prevention strategy requires an energetic attack on this problem."

Allan Doody, ICE Special Agent-in-Charge said: "It is interesting to note that this man testified before the U.S. Senate on how to comply with federal laws governing 'hawalas.' Today's case suggests he didn't take his own advice. The threat posed by unlicensed hawalas and money transmittal businesses is serious – as any criminal or terrorist can use these firms to move funds anywhere in the world with no questions asked."

Charles Pine, Special Agent-in-Charge IRS-CID of the Alexandria Field Office, said: "The use of unlicensed money transfer businesses or 'Hawalas' is an emerging area for law enforcement because of its potential use by money launderers and terrorists. This investigation showcases the cooperation among law enforcement for the common goal of national security."

This case is being investigated by U.S. Immigration and Customs Enforcement and Internal Revenue Service Criminal Investigations Division, and prosecuted for the United States by Assistant United States Attorney David Laufman.

Since the enactment of the USA Patriot Act through February 2005, ICE has initiated more than 280 investigations into unlicensed money services businesses and executed more than 100 search warrants in connection with these cases. During this time period, ICE investigations into unlicensed money service businesses have resulted in roughly 124 arrests, 130 indictments, and the seizure of some \$24 million.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.